

Certified nonprofit development corporation investment reporting form

ND certified nonprofit development corporation income tax credit (N.D.C.C. §§ 10-33-124 and 57-38-01.17)

Purpose of form

This form facilitates the administration of the income tax credit allowed under N.D.C.C. §§ 10-33-124 and 57-38-01.17 for making an eligible payment to a certified nonprofit development corporation ("corporation"). An eligible payment is one made for the purpose of buying membership in, paying dues to, or making a contribution to the corporation. This form must be filed for each eligible payment received—see **Instructions for corporation**.

Tax credit

The income tax credit is allowed to the following taxpayers:

- An individual using Form ND-2 (Optional method).
- An estate or trust using Schedule 2 (Optional method), Form 38.
- A corporation using Form 40.

Pass-through entity. A partnership, S corporation, or other pass-through entity is also considered an eligible taxpayer for this purpose. The income tax credit is determined at the pass-through entity level and is passed through to its owners in proportion to their respective ownership interests.

Amount of credit. The income tax credit is equal to the lesser of the following:

- 25 percent of the eligible payment.
- \$2,000.

The tax credit is first allowed in the tax year in which the payment date (as shown on this form) falls. If the tax credit exceeds the tax liability for the tax year in which the tax credit is first allowed, the excess tax credit may be carried forward up to seven tax years.

An individual who chooses to use Form ND-1, or an estate or trust that chooses to use Schedule 1 of Form 38, is not eligible for the tax credit for the tax year in which Form ND-1 or Schedule 1 of Form 38 is used, nor for any subsequent tax year to which an excess tax credit could have been carried.

Instructions for corporation

You must complete Parts 1 and 2 of this form for each eligible payment received. File a copy of the completed form with the ND Office of State Tax Commissioner within 30 days of the date on which you receive the eligible payment.

Give two copies of the completed form to the taxpayer making the eligible payment—one to be attached to the taxpayer's North Dakota tax return and one for the taxpayer's files. Keep a copy for your files.

An individual authorized to act on behalf of the corporation must sign this form. To designate an accountant, attorney, or other person to sign this form, obtain and complete North Dakota Form 500 and file it with the Individual Income Tax Section, ND Office of State Tax Commissioner.

Instructions for taxpayer

The corporation must provide two copies of this form to you within 30 days of the date on which you make an eligible payment to the corporation. To claim the tax credit, you must attach one of the copies to your North Dakota tax return. Keep the other copy for your records.

Assistance

Call

- 1-800-638-2901 or (701) 328-3450
- TDD/TTY users—Call Relay ND at 1-800-366-6888 (*ask for 1-800-638-2901*)

Write to

Individual Income Tax Section
ND Office of State Tax Commissioner
State Capitol, 16th Floor
600 E. Boulevard Ave.
Bismarck, ND 58505-0599

E-mail

individualltax@state.nd.us

Part 1—Taxpayer information

Name of taxpayer		Social security number or FEIN	
Address	City	State	ZIP code
Payment date —enter the date on which the eligible payment was actually received by the corporation ▶		Payment amount —enter total amount paid ▶ \$	
Type of payment (check one):			
<input type="checkbox"/> Membership or dues		<input type="checkbox"/> Contribution	

Part 2—Corporation information

Name of corporation		Federal employer identification number	
Address	City	State	ZIP code
Printed name of authorized representative	Title	Signature of authorized representative	Date